(d) Does not arise in view of reply to (a) above.

(e) As of now foreign banks are allowed to conduct banking business through branches only. In the Budget Speech 2002-2003, it was announced that foreign banks will be given an option to either operate as branches of their parent banks or to set up subsidiaries.

CBI probe into money received abroad through students

5019. SHRIABANI ROY: Will the Minister of FINANCE be pleased to state:

(a) whether Government officials and politicians are spending lakhs of rupees per year on their children for higher studies in developed countries;

(b) if so, whether CBI has decided to prove the sources of financing the expensive higher education in developed countries by the children of such officials/politicians;

(c) if so, whether some students abroad are receiving money through hawala and other money laundering channels; and

(d) if so, the details thereof and the steps Government propose to take to check such transactions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE. N. RAMACHANDRAN): (a) No such information is available.

(b) CBI is not investigating any such case.

(c) Neither such a case is under investigation nor any complaint has been received in the Enforcement Directorate.

(d) Does not arise.

Money Laundering Racket

5020. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether as reported in The Hindustan Times dated the 12th April, 2002, the Ministry of Finance has unearthed Rs. 350 crore racket carrying out a massive money-laundering operation in the country;

(b) if so, the details thereof;

(c) whether a CBI inquiry has been ordered or is proposed to be ordered into the matter; and

(d) if so, the results thereof and if not, the reasons therefor?